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## LEGISLATIVE HISTORY

Public Law 87-8  
H. R. 1822

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## INDEX AND SUMMARY OF H. R. 1822

- Jan. 4, 1961 Rep. Poage introduced H. R. 1822 which was referred to the House Agriculture Committee. Print of bill as introduced.
- Feb. 27, 1961 House committee voted to report (but did not actually report) H. R. 1822.
- Mar. 1, 1961 House committee reported H. R. 1822 without amendment. H. Report No. 47. Print of bill and report.
- Mar. 6, 1961 House passed H. R. 1822 under suspension of the rules.
- Mar. 7, 1961 H. R. 1822 was referred to the Senate Agriculture and Forestry Committee. Print of bill as referred.
- Mar. 15, 1961 Senate committee voted to report (but did not actually report) H. R. 1822.
- Mar. 16, 1961 Senate committee reported H. R. 1822 without amendment. S. Report No. 73. Print of bill and report.
- Mar. 20, 1961 Senate passed H. R. 1822 without amendment.
- Mar. 29, 1961 Approved: Public Law 87-8



DIGEST OF PUBLIC LAW 87-8

INCREASE IN LIMIT ON OPERATING LOANS. Amends section 21 (b) of the Bankhead-Jones Farm Tenant Act, as amended, to increase from 10 percent to 25 percent the amount of the funds appropriated annually for operating loans under that Act which may be used for making loans to borrowers whose operating loan indebtedness would exceed \$10,000.









87<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1822

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 1961

Mr. POAGE introduced the following bill; which was referred to the Committee on Agriculture

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## A BILL

To adjust the amount of funds available for farm operating loans made pursuant to section 21 (b) of the Bankhead-Jones Farm Tenant Act, as amended.

1     *Be it enacted by the Senate and House of Representa-*  
2     *tives of the United States of America in Congress assembled,*  
3     That the second sentence of section 21 (b) of the Bankhead-  
4     Jones Farm Tenant Act, as amended (7 U.S.C. 1007 (b) ),  
5     is amended by striking the words "10 per centum" and by  
6     inserting in lieu thereof the words "25 per centum".

87TH CONGRESS  
1ST Session

H. R. 1822

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## A BILL

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To adjust the amount of funds available for farm operating loans made pursuant to section 21 (b) of the Bankhead-Jones Farm Tenant Act, as amended.

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By Mr. Poage

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JANUARY 4, 1961

Referred to the Committee on Agriculture





# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For Department  
Staff Only)

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HIGHLIGHTS: House committee reported feed grains bill. House committee voted to report bill to increase funds available for farm operating loans.

## HOUSE

1. FEED GRAINS. The Agriculture Committee reported with amendment H. R. 4510, to provide a special program for feed grains for 1961 (H. Rept. 29). p. 2557
2. FARM LOANS. The Agriculture Committee voted to report H. R. 1822, to increase from 10 to 25 percent the portion of the annual appropriation for Farmers Home Administration operating loans that may be used for farm operating loans. p. D99
3. EDUCATION. Received from the President a proposed bill for Federal aid to public schools and to amend Public Laws 815 and 874, 81st Congress, relating to aid to schools in federally impacted areas; to Education and Labor Committee. p. 2557  
Received the annual report of the Commissioner of Education on Federal aid to schools in federally impacted areas. p. 2557
4. CIVIL DEFENSE. Received the annual report of the Office of Civil and Defense Mobilization. p. 2557
5. EXPORT CONTROL. Received from Commerce the quarterly report on export controls. p. 2557



6. EMPLOYMENT. The Ways and Means Committee reported on Feb. 25, with amendment, H. R. 4806, to provide for the establishment of a temporary program of extended unemployment compensation (H. Rept. 27). p. 2557
7. PRINTING. Received a GAO audit report on the Government Printing Office for the fiscal year 1960. p. 2557
8. RESEARCH. Received a Kan. Legislature resolution favoring creation of a Federal evapotranspiration research center in Kan. p. 2559
9. LANDS; FORESTRY. Received a Wyo. Legislature resolution favoring legislation to grant to Wyo. funds equivalent to the amount of lost revenue due to the large amount of non-taxable Federal land within the State. pp. 2559-60
10. WHEAT. Received a Reno. Co., Kan., Farmers Union resolution "in support of the proposed 1960 marketing program for wheat." p. 2560

#### SENATE

11. FORESTRY. The Interior and Insular Affairs Committee voted to report S. 449, to extend until Jan. 31, 1962, the time within which the Outdoor Recreation Resources Review Commission shall submit its final report. p. D98
12. APPROPRIATIONS; COMMITTEE ASSIGNMENTS. The Appropriations Committee appointed the membership of its subcommittees, including the following. p. D97  
Agriculture and related agencies (except Forest Service): Sens. Russell, Hayden, Hill, Robertson, Holland, Stennis, McGee, Humphrey, Young, Mundt, Dworshak, Hruska, and Schoeppel. (Sens. Ellender, Johnston, and Aiken were appointed ex officio members.)  
Interior and related agencies: Sens. Hayden, Chavez, Russell, McClellan, Kefauver, Bible, Byrd, McGee, Humphrey, Mundt, Young, Dworshak, and Kuchel.  
Deficiencies, Supplementals, and Foreign Operations: To be considered by entire Appropriations Committee.

#### ITEMS IN APPENDIX

13. WATER CONSERVATION. Rep. Breeding inserted a Kansas State Legislature resolution urging passage of legislation to provide for the creation of a Federal Evapotranspiration Research Center in Kansas. pp. A1243-4
14. ELECTRIFICATION. Extension of remarks of Rep. Evins inserting Interior Secretary Udall's "Memorandum on Power Policy." p. A1245  
Rep. Patman commended and inserted Sen. Yarborough's recent address, "Vision and Faith: The REA Co-op Story." pp. A1248-9  
Extension of remarks of Rep. Andersen inserting an address by Rep. Horan discussing the objectives and accomplishments of REA during the past 26 years. pp. A1258-9
15. SUGAR. Extension of remarks of Rep. Short inserting a N. Dak. State Legislature resolution urging passage of legislation to amend and reenact the Sugar Act for a period of five years. p. A1252
16. FUTURE FARMERS. Extension of remarks of Rep. McFall inserting an article summarizing some of the aims and achievements of the Future Farmers of America. p. A1263







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For Department  
Staff Only)

Issued March 2, 1961  
For actions of March 1, 1961  
87th-1st, No. 36

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HIGHLIGHTS: Senate committee voted to report feed grains bill. House committee reported bill to increase funds available for farm operating loans. Senate committee approved Clapp nomination. House received President's message on establishment of Peace Corps.

## SENATE

1. FEED GRAINS. The "Daily Digest" states that the Agriculture and Forestry Committee "ordered favorably reported with an amendment in the nature of a substitute bill S. 993, to provide a special program for feed grains for 1961. The bill, as approved, would require a 30-percent reduction in acreage devoted to corn and feed grains as a requirement for price support." p. D107
2. NOMINATION. The Agriculture and Forestry Committee approved the nomination of Norman M. Clapp to be REA Administrator. p. D107

## HOUSE

3. FARM LOANS. The Agriculture Committee reported without amendment H. R. 1822, to increase from 10 to 25 percent the portion of the annual appropriation for Farmers Home Administration operating loans that may be used for loans to borrowers whose operating loan indebtedness would exceed \$10,000 (H. Rept. 47). p. 2795

4. PEACE CORPS. Received from the President a message recommending the establishment of a permanent Peace Corps to consist of "a pool of trained American men and women sent overseas by the U. S. Government or through private organizations and institutions to help foreign countries meet their urgent needs for skilled manpower." The President stated that one of the purposes of the Corps would be to increase rural agricultural productivity by assisting local farmers to use modern implements and techniques. He stated that he had signed an Executive order establishing a Peace Corps on a temporary pilot basis (H. Doc. 98). pp. 2733-4
5. FORESTRY. The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 2204, to extend the time in which the Outdoor Recreation Resources Review Commission shall submit its final report. p. D109
6. UNEMPLOYMENT COMPENSATION. By a vote of 392 to 30, passed as reported H. R. 4806, to provide for the establishment of a temporary program of extended unemployment compensation for unemployed workers, including Federal employees and veterans. pp. 2735-59
7. ECONOMIC REPORT. At the request of Rep. Patman the Joint Economic Committee was granted an extension of time from March 1 to April 30 to file its report on the Economic Report of the President. p. 2731  
Rep. Patman inserted an article, "The Employment Act, 1946-61," discussing the significance of economic reports submitted by the Presidents. pp. 2731-3
8. ACREAGE ALLOTMENTS. Rep. Rains urged enactment of legislation to authorize a farm owner who is displaced by reason of acquisition of his farm by an agency having right of eminent domain, to release to the county committee all or any part of his farm acreage allotment during the period such allotment remains in the allotment pool. p. 2734
9. ADMINISTRATION APPOINTEES. Rep. Younger stated "that for some little time there have been rumors on the Hill about appointees high in this administration reading and discussing the political advice given by Machiavelli in his writing 'The Prince'", and he inserted the remarks of Secretary Freeman on a recent television program discussing this matter. p. 2786
10. FOREIGN CURRENCIES. Received reports on the expenditure of foreign currencies for foreign travel by Members and employees of the Armed Services and Appropriations Committees. pp. 2790-5
11. VIRGIN ISLANDS. Received a GAO audit report on the Virgin Islands Corporation for the fiscal year 1960. p. 2795
12. ROADS; ACCOUNTING. Received from Treasury the annual report on the financial condition and fiscal operations of the Highway Trust Fund (H. Doc. 100). p. 2795

#### ITEMS IN APPENDIX

13. FEDERAL AID. Rep. Curtis, Mo., inserted his speech, "Should State and Local Governments Look to Washington for Help?" in which he discussed various economic problems and stated that "The greatest area of frictional unemployment today is our rural areas where the amazing technological advancement in agriculture has occurred so rapidly..." pp. A1385-8



## ADJUSTMENT OF FUNDS AVAILABLE FOR FARM OPERATING LOANS

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MARCH 1, 1961.—Committed to the Committee of the Whole House on the  
State of the Union and ordered to be printed

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Mr. COOLEY, from the Committee on Agriculture, submitted the  
following

### R E P O R T

[To accompany H.R. 1822]

The Committee on Agriculture, to whom was referred the bill (H.R. 1822) to adjust the amount of funds available for farm operating loans made pursuant to section 21(b) of the Bankhead-Jones Farm Tenant Act, as amended, having considered the same report favorably thereon without amendment and recommend that the bill do pass.

#### PURPOSE OF THE BILL

Section 21(b) of the Bankhead-Jones Farm Tenant Act, as amended, provides that not to exceed 10 percent of the funds appropriated annually for operating loans under that act may be used for making loans to borrowers whose operating loan indebtedness would exceed \$10,000. The amendment made by this bill would increase that limitation to 25 percent.

#### NEED FOR THE LEGISLATION

The cost of farming has increased rapidly and substantially in recent years and, as a result, there are more and more farmers whose operating credit needs exceed \$10,000. Whereas the 10-percent limitation on the use of funds for these larger loans was adequate when the law was enacted, it is inadequate for present farming operations and credit needs. In 1960, the limit was reached in early May and, although general loans funds were available, no further loans of this size could be made for the balance of the fiscal year. The Department of Agriculture reports that for the current year, the 10-percent limit has almost been reached at this time, so that the need for an amend-

ment permitting a larger percentage of the loan funds to be used for loans of this type is urgent.

#### COST

There would be no additional cost as the result of enactment of this legislation.

#### DEPARTMENTAL POSITION

The Department of Agriculture recommends the enactment of this bill. Following is the letter from the Secretary of Agriculture approving the legislation and explaining in some detail the need for it:

DEPARTMENT OF AGRICULTURE,  
*Washington, D.C., February 28, 1961.*

HON. HAROLD D. COOLEY,  
*Chairman, Committee on Agriculture,  
House of Representatives.*

DEAR CONGRESSMAN COOLEY: This is in response to your request for a report from the Department concerning H.R. 1822. This bill would amend section 21(b) of the Bankhead-Jones Farm Tenant Act, as amended, to provide that not to exceed 25 percent of the sum made available by the annual appropriation for operating loans may be used for making loans to borrowers whose operating loan indebtedness would exceed \$10,000. The present ceiling is 10 percent.

The Department recommends the enactment of the proposed legislation.

The cumulative demands for more mechanization on farms; the increased costs of farm equipment, farm supplies, and other farm needs; the necessity for a larger volume of business; and the major adjustments and improvements needed on many farms have combined to create a demand for larger loans in many areas. The demand for loans from applicants whose credit needs exceed \$10,000 has increased greatly since the 10-percent limitation was established in 1956. In the 1960 fiscal year this 10-percent limitation in the Bankhead-Jones Farm Tenant Act, as amended, was reached in early May. As a result, during the balance of that fiscal year no operating loans could be made to borrowers and applicants whose operating loan indebtedness would exceed \$10,000.

As of December 31, 1959, only 33 percent of the amount of funds available within this limitation had been used, whereas on December 31, 1960, approximately 71 percent of the funds available under the limitation had been used. It is anticipated that the 10-percent ceiling prescribed by the present act will be reached within a few weeks. Unless the proposed legislation is enacted, many present borrowers and applicants for initial loans will be unable to obtain the credit needed for the operation of farms this year. The enactment of this proposed legislation would enable the Farmers Home Administration to assist many worthy applicants with funds available for such loans during the remainder of this fiscal year.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ORVILLE L. FREEMAN, *Secretary.*

## CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

## BANKHEAD-JONES FARM TENANT ACT, AS AMENDED

\* \* \* \* \*

SEC. 21. (a) The Secretary may make loans to farmers and stockmen who are operators of family-type farms and who are citizens of the United States for the purchase of livestock, seed, feed, fertilizer, farm equipment, supplies, and other farm needs, the cost of reorganizing the farming enterprise or changing farming practices to accomplish more diversified or more profitable farming operations, the refinancing of existing indebtedness, and for family subsistence: *Provided, however*, That loans may be made to operators who are bona fide farmers who have historically resided on farms and depended on farm income for their livelihood, and who are conducting substantial farming operations on units which are less than family-type units, if the units are of sufficient size to produce income which, together with income from other sources, including pensions in the case of disabled veterans, will enable them to meet living and operating expenses and the amounts due on their loans.

(b) No loan shall be made under this section for the purchase or leasing of land or for the carrying on of any land-purchase or land-leasing program. No loan may be made to any one borrower under this section which would cause the total principal amount outstanding to exceed \$10,000: *Provided, however*, That an amount not to exceed [10 per centum] 25 per centum of the sum made available by annual appropriation for loans under this title may be used for making loans to borrowers, which would cause such indebtedness to exceed \$10,000 but in no event may any loan be made which would cause such indebtedness to exceed \$20,000.

(c) The terms of loans under this section, including any renewal or extension of any such loan except as provided in subsection (d) hereof, shall not exceed seven years from the date the original loan was made.

(d) No person who has failed to liquidate his indebtedness under this section for seven consecutive years shall be eligible for loans hereunder: *Provided, however*, That in justifiable cases where the Secretary finds that the inability of a borrower to repay his indebtedness under this section within seven years is due to causes beyond the control of the borrower, the Secretary may extend or renew such loans to be repayable in not to exceed ten years from the date the original loan was made, and during such extended term may make additional loans to such persons, if necessary.





# Union Calendar No. 19

87TH CONGRESS  
1ST SESSION

# H. R. 1822

[Report No. 47]

## IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 1961

Mr. POAGE introduced the following bill; which was referred to the Committee on Agriculture

MARCH 1, 1961

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

## A BILL

To adjust the amount of funds available for farm operating loans made pursuant to section 21 (b) of the Bankhead-Jones Farm Tenant Act, as amended.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That the second sentence of section 21 (b) of the Bankhead-
- 4 Jones Farm Tenant Act, as amended (7 U.S.C. 1007 (b) ),
- 5 is amended by striking the words "10 per centum" and by
- 6 inserting in lieu thereof the words "25 per centum".

87<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R. 1822**

[Report No. 47]

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# A BILL

To adjust the amount of funds available for farm operating loans made pursuant to section 21(b) of the Bankhead-Jones Farm Tenant Act, as amended.

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By Mr. POAGE

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JANUARY 4, 1961

Referred to the Committee on Agriculture

MARCH 1, 1961

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed





# Digest of CONGRESSIONAL PROCEEDINGS

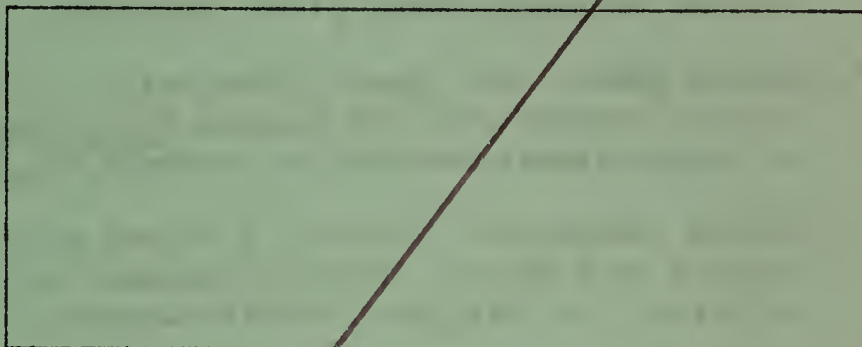
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For Department  
Staff Only)

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Issued March 7, 1961  
For actions of March 6, 1961  
87th-1st, No. 39



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HIGHLIGHTS: House Rules Committee cleared feed grains bill. Senate committee voted to report depressed areas bill. House passed bill to modify restriction on farm operating loans.

## HOUSE

1. FEED GRAINS. The Rules Committee reported a resolution for consideration of H. R. 4510, to provide a special program for feed grains for 1961 (p. 3066). The "Daily Digest" states that the Committee granted "an open rule, waiving points of order, with 4 hours' debate" on the bill (p. D127).
2. FARM LOANS. Passed, under suspension of the rules, H. R. 1822, to increase from 10 to 25 percent the portion of the annual appropriation for Farmers Home Administration operating loans that may be used for loans to borrowers whose operating loan indebtedness would exceed \$10,000. pp. 3035-6
3. APPROPRIATIONS. The Appropriations Committee reported (on Mar. 3, during adjournment of the House) without amendment H. R. 5188, the third supplemental appropriation bill for 1961 (H. Rept. 52) (p. 3065). See Digest 38 for items of interest.
4. FOOD ADDITIVES. The Interstate and Foreign Commerce Committee reported (on Mar. 3, during adjournment of the House) with amendment H. R. 3980, to amend the transitional provisions of the act of September 6, 1958, "To protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food of additives which have not been adequately tested to establish their safety" (H. Rept. 53). p. 3065



5. SUGAR. The "Daily Digest" states that the Agriculture Committee met "in executive session on H. R. 3738, to extend the Sugar Act. The committee will continue on this subject, in executive session, Wednesday, March 8." p. D127
6. RESEARCH; FOOD INSPECTION. The Agriculture Committee voted to report with amendment H. R. 4662, to amend the Nematocide, Plant Regulator, Defoliant, and Desiccant Amendment of 1959 so as to authorize the Secretary of Agriculture to extend beyond March 5, 1961, the effective date of the registration and enforcement provisions of the Federal Insecticide, Fungicide, and Rodenticide Act with respect to nematocides, plant regulators, defoliants, and desiccants. p. D127
7. FOREIGN TRADE. Rep. Saund discussed U. S.-Mexican relations, particularly Mexican concern over the Mexican farm labor program and increasing competition in international markets for the sale of cotton and coffee. pp. 3040-46
8. FOREIGN CURRENCIES. Received a report on the use of foreign currencies in connection with foreign travel by Members and employees of the Foreign Affairs, Judiciary, and Veterans Affairs Committees. pp. 3059-65
9. TREASURY REPORT. Received the annual report of the Secretary of the Treasury (H. Doc. 3). p. 3065
10. COMMITTEE ASSIGNMENTS. Reps. Peterson and Alford resigned as members of the Post Office and Civil Service Committee. Rep. Alford was elected a member of the Appropriations Committee. Rep. Hagan was elected a member of the Post Office and Civil Service Committee. pp. 3027-8
11. LEGISLATIVE PROGRAM. The "Daily Digest" states that the third supplemental appropriation bill and the feed grains bill will be considered today (Tues). p. D127

#### SENATE

12. DEPRESSED AREAS. The Banking and Currency Committee voted to report (but did not actually report) with amendments S. 1, the depressed areas bill. The "Daily Digest" states that the "bill, as approved, would authorize expenditures of \$394 million and would vest its administration under the jurisdiction of the Department of Commerce by an administrator appointed by the President." p. D125
13. FEED GRAINS. As reported by the Agriculture and Forestry Committee, S. 993, to provide a special program for feed grains for 1961, provides for:
  - \$1.20 price support for corn, and comparable price support for oats, rye, barley, and grain sorghums for 1961 crops;
  - A 30 percent diversion of acreage from corn, grain sorghums, and such other feed grains as the Secretary may specify, as a condition of price support for corn, grain sorghums, oats, rye and barley;
  - Payment in cash for half of the reduced production at 50 percent of the support price;
  - Payment-in-kind for the other half of the reduced production at 60 percent of the support price; and
  - Assistance by CCC in the marketing of payment-in-kind certificates.The committee report includes a statement of explanation as follows:

"The details of the proposed diversion are similar to those worked out by Congress in past wheat bills. The total acreage of corn and grain sorghums, and the total acreage of such other feed grains, if any, as might



## Annual salary of VA hospital managers and directors, professional services, fiscal year 1961—Continued

Station	Manager		Director, profes- sional services	Station	Manager		Director, profes- sional services
	Physician	Nonphy- sician			Physician	Nonphy- sician	
GM&S HOSPITALS—continued				GM&S HOSPITALS—continued			
Bronx, N.Y.	\$17,200		\$17,200	Martinsburg, W. Va.		\$15,030	<sup>2</sup> \$15,030
Brooklyn, N.Y.	<sup>2</sup> 15,030		17,200	McKinney, Tex.	817,200		(1)
Buffalo, N.Y.		815,030	<sup>2</sup> 15,030	Memphis, Tenn. (Ky.)	<sup>2</sup> 15,030		<sup>2</sup> 15,030
Cheyenne, Wyo.		<sup>3</sup> 15,030	<sup>2</sup> 15,030	Miles City, Mont.	15,030		(1)
Chicago, Ill. (West Side)	17,200		<sup>2</sup> 15,030	Minneapolis, Minn.	17,200		17,200
Chicago, Ill. (research)		15,030	<sup>2</sup> 15,030	Montgomery, Ala.	<sup>2</sup> 15,030		(1)
Cincinnati, Ohio		15,030	17,200	Mountain Home, Tenn.		15,030	<sup>2</sup> 15,030
Clarksburg, W. Va.	<sup>2</sup> 15,030		(1)	Muskogee, Okla.		15,030	<sup>2</sup> 13,510
Cleveland, Ohio		15,030	<sup>2</sup> 15,030	Nashville, Tenn.	17,200		17,200
Columbia, S.C.	<sup>2</sup> 15,030		15,537	Newington, Conn.	<sup>2</sup> 15,030		(1)
Coral Gables, Fla.	<sup>2</sup> 15,030		<sup>2</sup> 14,705	New Orleans, La.	<sup>2</sup> 15,030		17,200
Dallas, Tex.	<sup>2</sup> 15,030		17,200	New York, N.Y.		15,030	<sup>2</sup> 15,030
Dayton, Ohio		15,030	<sup>2</sup> 15,030	Oakland, Calif.		15,030	17,200
Dearborn, Mich.	<sup>2</sup> 15,030		17,200	Oklahoma City, Okla.	17,200		<sup>2</sup> 15,030
Denver, Colo.	17,200		<sup>2</sup> 15,030	Omaha, Nebr.	<sup>2</sup> 14,380		14,380
Des Moines, Iowa		<sup>3</sup> 15,030	17,200	Philadelphia, Pa.	<sup>2</sup> 15,030		17,200
Dublin, Ga.		15,030	17,200	Phoenix, Ariz.	17,200		(1)
Durham, N.C.	<sup>2</sup> 15,030		17,200	Pittsburgh, Pa.		15,030	<sup>2</sup> 13,510
Dwight, Ill.	<sup>2</sup> 15,030		(1)	Poplar Bluff, Mo.	17,200		(1)
East Orange, N.J.	17,200		<sup>2</sup> 15,030	Portland, Oreg.		15,030	17,200
Erie, Pa.	<sup>2</sup> 15,030		(1)	Providence, R.I.	<sup>2</sup> 15,030		17,200
Fargo, N. Dak.		<sup>3</sup> 15,030	<sup>2</sup> 15,030	Reno, Nev.		<sup>3</sup> 15,030	<sup>2</sup> 15,030
Fayetteville, Ark.	17,200		(1)	Richmond, Va.	17,200		(1)
Fayetteville, N.C.		15,030	<sup>2</sup> 15,030	Saginaw, Mich.		15,030	17,200
Fort Bayard, N. Mex.	17,200		(1)	Salt Lake City, Utah	17,200		17,200
Fort Harrison, Mont.		<sup>3</sup> 15,030	14,042	San Francisco, Calif.	<sup>2</sup> 15,030		17,200
Fort Howard, Md. See Baltimore (TB).				San Juan, P.R.	16,909		16,909
Fort Thomas, Ky. See Cincinnati (G.M. & S.).				Seattle, Wash.	17,200		(1)
Fort Wayne, Ind.	17,200		(1)	Shreveport, La.		<sup>3</sup> 15,030	<sup>2</sup> 15,030
Fresno, Calif.	<sup>2</sup> 15,030		(1)	Sioux Falls, S. Dak.		<sup>3</sup> 15,030	<sup>2</sup> 15,030
Grand Island, Nebr.	<sup>2</sup> 15,030		(1)	Spokane, Wash.	<sup>2</sup> 15,030		(1)
Grand Junction, Colo.		15,030	<sup>2</sup> 13,510	St. Louis, Mo.	<sup>2</sup> 15,030		<sup>2</sup> 15,030
Hines, Ill.		15,775	17,200	Sunmount, N.Y.		15,030	<sup>2</sup> 15,030
Hot Springs, S. Dak.		15,030	<sup>2</sup> 15,030	Syracuse, N.Y.		15,030	<sup>2</sup> 13,510
Houston, Tex.	17,200		(1)	Temple, Tex.	<sup>2</sup> 15,030		<sup>2</sup> 15,030
Huntington, W. Va.	17,200		(1)	Tucson, Ariz.	17,200		<sup>2</sup> 15,030
Indianapolis, Ind.	17,200		15,537	Vancouver, Wash.	<sup>2</sup> 15,030		<sup>2</sup> 15,030
Iowa City, Iowa	<sup>2</sup> 15,030		17,200	Wadsworth, Kans.		15,030	17,200
Iron Mountain, Mich.		15,030	<sup>2</sup> 15,030	Walla Walla, Wash.	<sup>2</sup> 15,030		<sup>2</sup> 15,000
Jackson, Miss.		<sup>3</sup> 15,030	17,200	Washington, D.C.	<sup>2</sup> 15,030		17,230
Kansas City, Mo.	<sup>2</sup> 15,030		17,200	West Haven, Conn.	<sup>2</sup> 15,030		17,200
Kecoughtan, Va.		15,030	17,200	West Roxbury, Mass.		15,030	17,200
Kerrville, Tex.	<sup>2</sup> 15,030		<sup>2</sup> 15,030	Whipple, Ariz.		15,030	<sup>2</sup> 13,510
Lake City, Fla.	<sup>2</sup> 55,030		17,200	White River Junction, Vt.		<sup>3</sup> 15,030	<sup>2</sup> 15,030
Lincoln, Nebr.	<sup>2</sup> 55,030		<sup>2</sup> 15,030	Wichita, Kans.		<sup>3</sup> 15,030	<sup>2</sup> 15,030
Little Rock, Ark.	17,200		17,200	Wilkes-Barre, Pa.	<sup>2</sup> 15,030		<sup>2</sup> 15,030
Long Beach, Calif.	<sup>2</sup> 15,030		17,200	Wilmington, Del.	<sup>2</sup> 15,030		(1)
Los Angeles, Calif. See Los Angeles (NP).				Wood, Wis.		16,035	<sup>2</sup> 15,030
Louisville, Ky.	<sup>2</sup> 15,030		15,030	DOMICILIARIES			
Madison, Wis.	17,200		(1)	Clinton, Iowa		15,030	<sup>2</sup> 13,510
Manchester, N.H.	17,200		(1)	Thomasville, Ga.		15,030	<sup>2</sup> 15,030
Marion, Ill.		15,030	16,163	White City, Oreg.		15,030	<sup>2</sup> 13,510
Marlin, Tex.	<sup>2</sup> 15,030		(1)				

<sup>1</sup> Position vacant Dec. 31, 1960.<sup>2</sup> Nondiplomate physician.<sup>3</sup> Manager under Department of Veterans Benefits jurisdiction.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. TEAGUE of Texas. I am glad to yield to the gentleman from Iowa.

Mr. GROSS. How much does this bill raise the managers?

Mr. TEAGUE of Texas. Not more than \$500.

Mr. GROSS. Not more than \$500?

Mr. TEAGUE of Texas. The gentleman is correct.

Mr. GROSS. Mr. Speaker, I yield back the time on the minority side.

The SPEAKER. The question is: Will the House suspend the rules and pass the bill?

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that I may have permission to revise and extend my remarks and include extraneous matter on each of the preceding bills.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### ADJUSTMENT OF FUNDS AVAILABLE FOR FARM OPERATING LOANS

Mr. POAGE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1822) to adjust the amount of funds available to section 21(b) of the Bankhead-Jones Farm Tenant Act, as amended.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 21(b) of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1007(b)), is amended by striking the words "10 per centum" and by inserting in lieu thereof the words "25 per centum".*

The SPEAKER. Is a second demanded?

Mr. HOEVEN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. HOEVEN. Mr. Speaker, will the gentleman from Texas yield?

Mr. POAGE. I yield to the gentleman from Iowa.

Mr. HOEVEN. Will the gentleman explain the bill?

Mr. POAGE. Mr. Speaker, this bill changes the limit on the percentage of operating loan funds of the Farmers Home Administration which may be used for loans in excess of \$10,000. At the present time, we cannot use more than 10 percent of the total amounts available for these larger loans. This bill would raise that percentage to 25 percent. It does not change the amount of money which can be used. It does not change the appropriation. The House passed this bill last year as a part of the Bankhead-Jones Farm Tenant Act, which passed this House but did not pass the other body. This bill passed the committee by unanimous vote. A bill identical to this was introduced by the



gentleman from Maine [Mr. McINTIRE] and I think I can say it has the support of both sides.

The Department has sent us a letter saying that they had no more funds to make operating loans in excess of \$10,000. The percentage of larger loans necessarily increases as the years go by, and we must have a larger percentage of this money available for those loans or we are out of the business of providing operating loans under the FHA.

I know of no objection on the part of the House, and there was no objection in the committee.

Mr. HOEVEN. Mr. Speaker, this bill was unanimously reported by the Committee on Agriculture and is identical to H.R. 2258, introduced by our distinguished colleague, the gentleman from Maine [Mr. McINTIRE], who is the ranking minority member of the Subcommittee on Conservation and Credit.

Under present law there is a 10-percent ceiling on the amount of Farmers Home Administration operating loan funds which can be used to finance outstanding indebtedness for farmers from \$10,000 to \$20,000.

This bill simply raises the percentage to 25 percent. In other words, it allows Farmers Home Administration to use 25 percent of its operating loan funds for this class of loans. It does not change the present limit of \$20,000 on any one individual loan.

The bill is necessary because of the expanding credit needs of our modern agriculture. More and more farmers find it necessary to borrow more than \$10,000 for operating expenses. The bill involves no extra cost, just a shift in emphasis in the program to meet a current credit need. A similar provision was included in the Allott-Cooley-FHA bill which passed the House last year.

Nineteen States are expected to face operating difficulties under present law unless this bill is passed. My State of Iowa is not one of these States. The States affected are: Maine, Colorado, Idaho, Illinois, Indiana, Michigan, Minnesota, Montana, Missouri, New York, North Dakota, Pennsylvania, South Dakota, Texas, Utah, Washington, Georgia, and Arkansas. This bill will assist farmers in these States and should be enacted.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. ANDERSEN of Minnesota. Mr. Speaker, I sincerely hope the Congress will see fit to pass favorably on this bill (H.R. 1822), the purpose of which is to adjust the amount of funds available for farm operating loans.

The farmers of this Nation, as we all know, are caught in a cost-price squeeze. The cost of farming has increased rapidly and substantially over the past few years. The demands for mechanization, the additional cost of farm equipment and farm supplies, and, in fact, all of the costs with which a farmer finds himself confronted have increased. The demands for loans from farmers whose credit needs exceed \$10,000 has gone up by leaps and bounds. Unless this legislation is enacted, many of the farmer

applicants for loans will be unable to obtain the credit necessary for the operation of their farms this year.

I compliment the Committee on Agriculture for their good work in bringing this legislation to the floor.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill H.R. 1822?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

#### PROVIDING TEMPORARY EXTENSION OF RAILROAD UNEMPLOYMENT INSURANCE BENEFITS

Mr. HARRIS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 5075) to provide temporary extended railroad unemployment insurance benefits, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. YOUNGER. Mr. Speaker, reserving the right to object, will the gentleman explain the bill to the House?

Mr. HARRIS. Mr. Speaker, H.R. 5075 is a bill to provide for a temporary extension of railroad unemployment insurance benefits. It was approved unanimously by the Committee on Interstate and Foreign Commerce on March 3. It has the support of railroad management, railroad labor, and the Railroad Retirement Board. The President urged the Congress to pass such legislation in his message to the Congress on February 6. The bill provides similar benefits to those provided for workers in other industries by H.R. 4806, the Temporary Extended Unemployment Compensation Act of 1961, which passed the House on March 1. The latter bill does not cover railroad workers.

#### PROVISIONS OF BILL

Under the committee bill, any railroad employee who has after June 30, 1960, and before April 1, 1962, exhausted his right to unemployment benefits under the Railroad Unemployment Insurance Act would be eligible for extended unemployment benefits for days of unemployment not exceeding 65 days and not exceeding in the aggregate 50 percent of the total amount of unemployment benefits payable to him in the benefit year in which he last exhausted his rights before making his first claim under this legislation. The bill primarily affects railroad men with less than 10 years of service, but it would also benefit some men with 10 or more years of service.

The Members of the House will recall that in 1959, legislation was enacted—Public Law 86-28—to provide, among other things, an extension of unemployment insurance benefits for railroad workers. Under that law, an employee with less than 10 years of service, who, after June 30, 1957, had exhausted his rights to normal unemployment insurance benefits, became eligible for a tem-

porary extension of unemployment benefits for days of unemployment, not exceeding 65, which occurred on and after June 19, 1958, and before April 1, 1959. This provision, of course, is no longer effective.

An employee with 10 or more years of service who has exhausted his rights to normal unemployment insurance benefits becomes eligible under that law for an extended benefit period, on a permanent basis. The duration of such extended benefit period has been first, 7 successive periods of 14 days each, but limited to 65 days of unemployment, for an employee with 10, but less than 15 years of service, and second, 13 successive periods of 14 days each, but limited to 130 days of unemployment, for an employee with 15 or more years of service. I want to emphasize here the word "successive."

Under the bill which the House is considering today, every railroad employee who has exhausted his rights to normal unemployment insurance benefits after June 30, 1960, and before April 1, 1962, would be eligible to an extended benefit period for days of unemployment not exceeding 65—subject of course, to the earnings limitation mentioned above—whether such days of unemployment are successive or intermittent. Hence some men with 10 or more years of service, who would otherwise receive less than 65 days of extended benefits under present law, would become eligible under the proposed legislation for additional days of unemployment outside the extended benefit period.

The amount of the daily benefit rates payable under this legislation would be the same as those specified under the Railroad Unemployment Insurance Act. Other provisions of that act would also apply to these extended benefits.

#### NEED FOR LEGISLATION

Railroad employment has declined sharply in recent months and is now at the lowest level since 1900. In January 1959 the number employed in the railroad industry was 947,000. In January 1961 this number had declined to 832,000. In January 1959 claimants for railroad unemployment benefits totaled 123,000. In January 1961 there were 127,000 claimants.

Through January 1961 over 250,000 railroad employees had drawn unemployment benefits in the benefit year beginning July 1, 1960. Of these about 20,000 had exhausted their benefit rights. It is estimated that over 50,000 will exhaust their benefit rights by June 30, 1961. Approximately the same number will exhaust their benefit rights during the period July 1, 1961, through March 31, 1962.

This legislation will help these individuals and their families and help to overcome the effect of the current recession.

#### FINANCING

The bill authorizes the transfer of funds from the Treasury to the railroad unemployment insurance account in amounts required to meet the cost of the temporary extended benefits. These loans would be repaid without interest.

The bill increases the contribution rate payable by the railroads under the







# H. R. 1822

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IN THE SENATE OF THE UNITED STATES

MARCH 7, 1961

Read twice and referred to the Committee on Agriculture and Forestry

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## AN ACT

To adjust the amount of funds available for farm operating loans made pursuant to section 21 (b) of the Bankhead-Jones Farm Tenant Act, as amended.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*  
3        That the second sentence of section 21 (b) of the Bankhead-  
4        Jones Farm Tenant Act, as amended (7 U.S.C. 1007 (b) ),  
5        is amended by striking the words "10 per centum" and by  
6        inserting in lieu thereof the words "25 per centum".

Passed the House of Representatives March 6, 1961.

Attest:

RALPH R. ROBERTS,

*Clerk.*

87TH CONGRESS  
1ST SESSION

H. R. 1822

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## AN ACT

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To adjust the amount of funds available for farm operating loans made pursuant to section 21(b) of the Bankhead-Jones Farm Tenant Act, as amended.

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MARCH 7, 1961

Read twice and referred to the Committee on  
Agriculture and Forestry





Mar 15, 1961

policy, and he mentioned others who will be addressing the convention including Mr. McGovern, director of the food for peace program. pp. 3744-5

4. **ROADS.** Received from the President a proposed bill "which will make it possible to complete our Interstate Highway System by 1972"; to Public Works and Finance Committees. p. 3802
5. **FARM LOANS; RESEARCH.** The "Daily Digest" states that the Agriculture and Forestry Committee, in executive session, ordered favorably reported H. R. 1822, to modify restriction on farm operating loans; and with amendment S. 1028, to extend, on certain products the effective date of Nematocide, Plant Regulator, Defoliant, and Desiccant Amendment of 1959. p. D165
6. **UNEMPLOYMENT COMPENSATION.** The "Daily Digest" states that the Finance Committee, in executive session, "ordered favorably reported with amendments H. R. 4806, proposed Extended Temporary Unemployment Compensation Act of 1961." p. D165
7. **MINIMUM WAGE.** The "Daily Digest" states that the Subcommittee on Labor, of the Labor and Public Welfare Committee, in executive session, "ordered favorably reported to the full committee without recommendation, S. 895, proposed Fair Labor Standards Amendments of 1961." p. D166
8. **NOMINATIONS.** The Agriculture and Forestry Committee reported the nominations of Charles S. Murphy to be Under Secretary and James T. Ralph to be an Assistant Secretary. p. 3704
9. **WATER RESOURCES.** The Foreign Relations Committee reported a treaty between the United States and Canada relating to cooperative development of the water resources of the Columbia River Basin which was signed at Washington on Jan. 17, 1961. p. 3704
10. **PERSONNEL.** Received from the Joint Committee on Reduction of Nonessential Federal Expenditures a report on Federal employment and pay for Jan. 1961 pp. 3705-9
11. **FOREIGN CURRENCIES.** Received from the Foreign Relations and Appropriations Committees reports on the use of foreign currencies in connection with foreign travel by members and employees of the committees. pp. 3709-13
12. **PEACE CORPS.** Sen. Javits discussed the results of a Peace Corps survey "which demonstrates the need for a program to prepare students for work abroad." p. 3732
13. **LEGISLATIVE PROGRAM.** Sen. Mansfield announced that H. R. 4806, the temporary unemployment compensation bill, will be considered next by the Senate. p. 3803

#### HOUSE

14. **DEPRESSED AREAS.** A subcommittee of the Banking and Currency Committee "ordered favorably reported to the full committee H. R. 4569 (amended), to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically distressed areas." p. D168
15. **FOREIGN AFFAIRS.** Concurred in S. Con. Res. 7 to authorize the printing as a Senate document a compilation of the studies on United States foreign policy prepared under the direction of the Foreign Relations Committee. p. 3818



Concurred in S. Con. Res. 15 to authorize the printing as a Senate document "A Report on United States Foreign Operations," submitted by Sen. Ellender to the Senate Appropriations Committee. p. 3818

16. LAWS. Agreed to H. Con. Res. 81 to authorize the printing as a House document the brochure, "How Our Laws Are Made." p. 3317
17. RECLAMATION. Agreed to H. Res. 91 to authorize the printing as a House document a publication, "Operating Principles, Fryingpan-Arkansas Project, Adopted by the State of Colorado, April 30, 1959 (as amended December 30, 1959, and December 9, 1960)." p. 3818
18. LOBBYING. The Clerk of the House and Secretary of the Senate jointly submitted their report of the compilation on lobbying required by Public Law 601, 79th Congress, title III, Regulation of Lobbying Act. pp. 3823-47
19. COMMITTEE ASSIGNMENTS. Members were assigned to subcommittees of the Joint Economic Committee. pp. D169-70
20. MINIMUM WAGES; FARM LABOR. As reported by the Education and Labor Committee H. R. 3935, the minimum wage bill, includes provisions as follows:  
Raises the minimum wage level in two steps. During the first 2 years after the effective date of the bill the minimum wage would be \$1.15 an hour and thereafter it would be \$1.25 an hour.  
Amends the definition of "agriculture" so as to exclude from coverage employees engaged in processing shade-grown tobacco for use as cigar wrapper tobacco, but only if the employees were employed in the growing and harvesting of such tobacco.  
Provides that the Secretary of Labor shall study the exemptions in the Fair Labor Standards Act relating to handling and processing of agricultural products, and shall submit a report to the Congress in January 1962, together with recommendations for further legislation to simplify and remove any inequities in such exemptions.  
Reduces from 28 to 24 the number of cumulative workweeks during the calendar year in which exemptions from overtime pay requirements are available to certain processors of farm products, particularly processors, packers, and canner of perishable or seasonal fresh fruits or vegetables.

#### ITEMS IN APPENDIX

21. ELECTRIFICATION. Extension of remarks of Sen. Engle commending Interior Secretary Udall in acting "expeditiously" to improve the marketing facilities for the electric power produced by Federal water projects, and inserting announcements on this subject. pp. A1792-3
22. FARM LABOR. Extension of remarks of Sen. Williams, N. J., inserting an article, "The Most Disadvantaged Children," and stating that it describes the difficulties faced by migrant children, and also records a favorable attitude toward proposed Federal legislation for migrant education. p. A1798
23. ECONOMIC SITUATION; EMPLOYMENT. Extension of remarks of Rep. Jonas inserting a series of three articles on the subject of the President and the economy. pp. A1798-9, A;812-3, A1821
24. FOREST PRODUCTS. Extension of remarks of Rep. Boykin inserting several articles describing how W. D. Harrigan, founder of the Scotch Lumber Co., had aided in







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For Department  
Staff Only)

Issued March 17, 1961

For actions of March 16, 1961

87th-1st, No. 47

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**HIGHLIGHTS:** Both Houses received President's farm message. Conferees agreed to file conference report on feed grains bill. Senate confirmed Murphy and Ralph nominations. Senate committee reported bill to modify restriction on farm operating loans. Sen. Yarborough introduced and discussed bill to extend Wool Act.

## SENATE

- FARM PROGRAM.** Both Houses received the President's farm message (H. Doc. 109) (pp. 3874-7, 3858-61). Sens. Humphrey and Dymington commended the message (pp. 3888-9). The message includes recommendations for legislation as follows:
  - Amendment of the Agricultural Marketing Agreement Act to permit marketing orders to be used for a wider range of commodities, to make it more flexible in dealing with commodities for which a national or area program may be devised, and to permit (subject to approval by producers and acceptance by Congress) establishment of quotas and allotments for individual producers.
  - Amendment of the Agricultural Adjustment Act of 1938 to permit marketing quotas for any agricultural commodity for which quotas might be most effective and subject to approval by producers and acceptance by Congress -- with quotas in quantitative or acreage terms.



Amendment of the Agricultural Act of 1949 to permit, subject to producer approval and Congressional acceptance, the method of supporting producer income that is most appropriate, with authorization of compensatory payments as well as commodity loans, commodity purchases, diversion programs, incentive payments, and export payments as circumstances require, including authority to make payments in kind.

Provisions that control programs may not become effective until (1) approved by a two-thirds vote of producers and (2) reviewed by Congress for 60 days without an adverse vote by either House.

Amendment of the Soil Conservation and Domestic Allotment Act to provide for national farmer advisory committees for every commodity or group of related commodities for which a new supply adjustment program is planned.

Expansion of the school lunch program, with the increase going to those schools providing a high proportion of free lunches because of the high level of unemployment in their localities, and with a change in the allocation formula to include the number of children who actually receive school lunches.

Extension and improvement of the special milk program.

Authorization of \$2 billion additional for this calendar year under Title I of Public Law 480; and extension and expansion of this Act for five years.

Authority for farmers' cooperatives to purchase, acquire, and build processing plants and related facilities and to merge with other cooperatives so long as such activities do not tend to create a monopoly or substantially lessen competition.

The message also includes various recommendations for increased funds or acceleration of programs, and announces several administrative directives.

2. **NOMINATIONS.** Confirmed the nominations of Charles S. Murphy to be Under Secretary and James T. Ralph to be an Assistant Secretary. p. 3878
3. **FARM LOANS.** The Agriculture and Forestry Committee reported without amendment H. R. 1822, to increase from 10 to 25 percent the portion of the annual appropriation for Farmers Home Administration operating loans that may be used for loans to borrowers whose operating loan indebtedness would exceed \$10,000 (S. Rept. 73). p. 3882
4. **RESEARCH; FOOD INSPECTION.** The Agriculture and Forestry Committee reported with amendment S. 1028, to amend the Nematocide, Plant Regulator, Defoliant, and Desiccant Amendment of 1959 so as to authorize the Secretary of Agriculture to extend beyond March 5, 1961, the effective date of the registration and enforcement provisions of the Federal Insecticide, Fungicide, and Rodenticide Act with respect to nematocides, plant regulators, defoliants, and desiccants (S. Rept. 74). p. 3882
5. **WATER RESOURCES.** By a vote of 90 to 1, agreed to the resolution of ratification of the treaty between the U. S. and Canada relating to cooperation development of the water resources of the Columbia River Basin. pp. 3910-24
6. **FOREIGN AFFAIRS; ECONOMIC COOPERATION.** By a vote of 72 to 10, agreed to the resolution of ratification providing for U. S. membership in the Organization for Economic Cooperation and Development. pp. 3924-50
7. **UNEMPLOYMENT COMPENSATION.** By a vote of 84 to 4, passed with amendments H. R. 4806, to provide for the establishment of a temporary program of extended unemployment compensation for unemployed workers, including Federal employees

## INCREASE IN PERCENT OF APPROPRIATED FUNDS AVAILABLE FOR LARGER FARM OPERATING LOANS

MARCH 16, 1961.—Ordered to be printed

Mr. HOLLAND, from the Committee on Agriculture and Forestry, submitted the following

### R E P O R T

[To accompany H.R. 1822]

The Committee on Agriculture and Forestry, to whom was referred the bill (H.R. 1822) to adjust the amount of funds available for farm operating loans made pursuant to section 21(b) of the Bankhead-Jones Farm Tenant Act, as amended, having considered the same, report thereon with a recommendation that it do pass without amendment.

This bill increases the amount of funds available for loans which bring the borrower's total indebtedness above \$10,000 under title II of the Bankhead-Jones Farm Tenant Act from 10 percent of the amounts appropriated for loans under that title to 25 percent of such amounts. The 10-percent limit was reached with respect to this year's appropriation about March 1, so that until this bill is passed the Farmers Home Administration will not be able to make further loans to many farmers who are otherwise eligible and in need of such loans.

The report of the House Committee on Agriculture further explaining the bill is attached.

[H. Rept. 47, 87th Cong., 1st sess.]

The Committee on Agriculture, to whom was referred the bill (H.R. 1822) to adjust the amount of funds available for farm operating loans made pursuant to section 21(b) of the Bankhead-Jones Farm Tenant Act, as amended, having considered the same report favorably thereon without amendment and recommend that the bill do pass.



## PURPOSE OF THE BILL

Section 21(b) of the Bankhead-Jones Farm Tenant Act, as amended, provides that not to exceed 10 percent of the funds appropriated annually for operating loans under that act may be used for making loans to borrowers whose operating loan indebtedness would exceed \$10,000. The amendment made by this bill would increase that limitation to 25 percent.

## NEED FOR THE LEGISLATION

The cost of farming has increased rapidly and substantially in recent years and, as a result, there are more and more farmers whose operating credit needs exceed \$10,000. Whereas the 10-percent limitation on the use of funds for these larger loans was adequate when the law was enacted, it is inadequate for present farming operations and credit needs. In 1960, the limit was reached in early May and, although general loans funds were available, no further loans of this size could be made for the balance of the fiscal year. The Department of Agriculture reports that for the current year the 10-percent limit has almost been reached at this time, so that the need for an amendment permitting a larger percentage of the loan funds to be used for loans of this type is urgent.

## COST

There would be no additional cost as the result of enactment of this legislation.

## DEPARTMENTAL POSITION

The Department of Agriculture recommends the enactment of this bill. Following is the letter from the Secretary of Agriculture approving the legislation and explaining in some detail the need for it:

DEPARTMENT OF AGRICULTURE,  
*Washington, D.C., February 28, 1961.*

Hon. HAROLD D. COOLEY,  
*Chairman, Committee on Agriculture,  
House of Representatives.*

DEAR CONGRESSMAN COOLEY: This is in response to your request for a report from the Department concerning H.R. 1822. This bill would amend section 21(b) of the Bankhead-Jones Farm Tenant Act, as amended, to provide that not to exceed 25 percent of the sum made available by the annual appropriation for operating loans may be used for making loans to borrowers whose operating loan indebtedness would exceed \$10,000. The present ceiling is 10 percent.

The Department recommends the enactment of the proposed legislation.

The cumulative demands for more mechanization on farms; the increased costs of farm equipment, farm supplies, and other farm needs; the necessity for a larger volume of business; and the major adjustments and improvements needed on many farms have combined to create a demand for larger loans in many areas. The demand for loans from applicants whose credit needs exceed \$10,000 has increased greatly since the 10-percent limitation was established in 1956. In the 1960 fiscal year this 10-percent limitation in the Bankhead-Jones Farm Tenant Act, as amended, was reached in early May. As a result, during the balance of that fiscal year no operating loans could be made to borrowers and applicants whose operating loan indebtedness would exceed \$10,000.

As of December 31, 1959, only 33 percent of the amount of funds available within this limitation had been used, whereas on December 31, 1960, approximately 71 percent of the funds available under the limitation had been used. It is anticipated that the 10-percent ceiling prescribed by the present act will be reached within a few weeks. Unless the proposed legislation is enacted, many present borrowers and applicants for initial loans will be unable to obtain the credit needed for the operation of farms this year. The enactment of this proposed legislation would enable the Farmers Home Administration to assist many worthy applicants with funds available for such loans during the remainder of this fiscal year.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ORVILLE L. FREEMAN, *Secretary*.

#### CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

#### BANKHEAD-JONES FARM TENANT ACT, AS AMENDED

\* \* \* \* \*

SEC. 21. (a) The Secretary may make loans to farmers and stockmen who are operators of family-type farms and who are citizens of the United States for the purchase of livestock, seed, feed, fertilizer, farm equipment, supplies, and other farm needs, the cost of reorganizing the farming enterprise or changing farming practices to accomplish more diversified or more profitable farming operations, the refinancing of existing indebtedness, and for family subsistence: *Provided, however,* That loans may be made to operators who are bona fide farmers who have historically resided on farms and

depended on farm income for their livelihood, and who are conducting substantial farming operations on units which are less than family-type units, if the units are of sufficient size to produce income which, together with income from other sources, including pensions in the case of disabled veterans, will enable them to meet living and operating expenses and the amounts due on their loans.

(b) No loan shall be made under this section for the purchase or leasing of land or for the carrying on of any land-purchase or land-leasing program. No loan may be made to any one borrower under this section which would cause the total principal amount outstanding to exceed \$10,000: *Provided, however,* That an amount not to exceed [10 per centum] 25 per centum of the sum made available by annual appropriation for loans under this title may be used for making loans to borrowers, which would cause such indebtedness to exceed \$10,000 but in no event may any loan be made which would cause such indebtedness to exceed \$20,000.

(c) The terms of loans under this section, including any renewal or extension of any such loan except as provided in subsection (d) hereof, shall not exceed seven years from the date the original loan was made.

(d) No person who has failed to liquidate his indebtedness under this section for seven consecutive years shall be eligible for loans hereunder: *Provided, however,* That in justifiable cases where the Secretary finds that the inability of a borrower to repay his indebtedness under this section within seven years is due to causes beyond the control of the borrower, the Secretary may extend or renew such loans to be repayable in not to exceed ten years from the date the original loan was made, and during such extended term may make additional loans to such persons, if necessary.

ADDITIONAL VIEWS REQUESTED BY THE SENATE COMMITTEE ON  
AGRICULTURE AND FORESTRY

FARM CREDIT ADMINISTRATION,  
Washington, D.C., March 15, 1961.

HON. SPESSARD L. HOLLAND,  
Chairman, Subcommittee on Agricultural Credit,  
Committee on Agriculture and Forestry,  
U.S. Senate.

DEAR CHAIRMAN HOLLAND: Harker T. Stanton, Esq., counsel for the committee, has just phoned me for a statement as to any impact which enactment of H.R. 1822 might have on the lending by the production credit associations which are under the supervision of the Farm Credit Administration.

The production credit associations lend their own funds for general agricultural purposes and other requirements of the farmers and ranchers who can qualify for such loans. The bill relates to the farm operating loans made by the Farmers Home Administration under the Bankhead-Jones Farm Tenant Act. Under existing law, only 10 percent of the annual appropriation available for such FHA loans may be used for making loans to borrowers whose operating loan in-



debtedness would exceed \$10,000 (in no event more than \$20,000). The bill would change the 10 percent limitation to 25 percent.

[- A present demarcation between the PCA and FHA lending is that, under the law, such FHA loans should not be made to a borrower who can obtain sufficient credit to finance his needs from a production credit association or other sources at not exceeding 5 percent interest. In some instances there have been farmers whose equities were such that the PCA's would have been glad to finance them, but the farmers chose to be financed by FHA because of the lower interest rate. However, increasing the percentage of available funds which may be used to make larger operating loans would in no way change the eligibility requirement just noted. In view of this, we see no objection to enactment of H.R. 1822 from the viewpoint of the production credit associations.

Because you wanted a reply today there has been no opportunity for advance clearance of this report with the Bureau of the Budget.

Very truly yours,

R. B. TOOTELL, *Governor.*

○



Calendar No. 69

87<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1822

[Report No. 73]

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IN THE SENATE OF THE UNITED STATES

MARCH 7, 1961

Read twice and referred to the Committee on Agriculture and Forestry

MARCH 16, 1961

Reported by Mr. HOLLAND, without amendment

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## AN ACT

To adjust the amount of funds available for farm operating loans made pursuant to section 21 (b) of the Bankhead-Jones Farm Tenant Act, as amended.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*  
3        That the second sentence of section 21 (b) of the Bankhead-  
4        Jones Farm Tenant Act, as amended (7 U.S.C. 1007 (b) ),  
5        is amended by striking the words "10 per centum" and by  
6        inserting in lieu thereof the words "25 per centum".

Passed the House of Representatives March 6, 1961.

Attest:

RALPH R. ROBERTS,

*Clerk.*

87<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1822

[Report No. 73]

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